

Exhibit C

PURCHASE OBLIGATIONS

1. **FIRM REQUIREMENTS POWER AT PF TIER 1**
[To be completed]
2. **FIRM REQUIREMENTS POWER AT PF TIER 2(06/13/08 Version)**

2.1 **Notice to Purchase Zero Amounts at PF Tier 2 Rates**

If «Customer Name» elects not to purchase Firm Requirements Power at PF Tier 2 rates for a Purchase Period as established in section 9 of the body of this Agreement, by March 31 immediately following the corresponding Notice Deadline, BPA shall update this exhibit to indicate such election by adding an "X" to the applicable cell in the following table. Such election means that for the Purchase Period specified below, «Customer Name» shall: (1) purchase zero amounts of Firm Requirements Power at PF Tier 2 rates, and (2) apply its Dedicated Resources to serve all of «Customer Name»'s Above-RHWM Load.

Drafter's Note: Leave table blank at contract signing:

Zero PF Tier 2	Purchase Period
	FY 2012 - FY 2014
	FY 2015 - FY 2019
	FY 2020 - FY 2024
	FY 2025 - FY 2028
Indicate Election with an "X"	

2.2 **PF Tier 2 Load-Growth Rate**

«Customer Name» shall not have the right to purchase Firm Requirements Power at the Load-Growth Rate for the term of this Agreement.

2.3 **PF Tier 2 Vintage Rate(s)**

Reviewers Note: Shaded text is identical to Load Following (absent the first sentence)

2.3.1 If BPA makes Firm Requirements Power available at one or more PF Tier 2 Vintage Rates, «Customer Name» may purchase amounts of such power, subject to section 2.4.2 below, only if and up to the megawatt amount that «Customer Name» has purchased Firm Requirements Power from BPA at the PF Tier 2 Short-Term Rate. If «Customer Name» elects to purchase Firm Requirements Power from BPA at a PF Tier 2 Vintage Rate, «Customer Name» shall sign a Statement of Intent offered by BPA. "Statement of Intent" means a statement prepared by BPA and signed by «Customer Name» that «Customer Name» shall purchase Firm Requirements Power at a specific rate, subject to section 2.3.2 below, based on the costs of a

resource to be acquired by BPA as set in each general rate case. A signed Statement of Intent from «Customer Name» specifying the amount and term of the purchase is necessary before BPA will acquire any cost-effective resource on a long-term basis to serve load under a PF Tier 2 Vintage Rate.

2.3.2 If BPA establishes the PF Tier 2 Vintage Rate consistent with the Statement of Intent, «Customer Name» agrees to have the portion of its PF Tier 2 rate power purchase specified in the Statement of Intent, priced at that rate. If BPA is unable to establish the PF Tier 2 Vintage Rate, «Customer Name» agrees to purchase such amount of Firm Requirements Power at the PF Tier 2 Short-Term Rate.

2.3.3 If «Customer Name» purchases Firm Requirements Power at a PF Tier 2 Vintage Rate, BPA shall insert applicable tables, terms, and conditions for each Vintage rate here.

2.4 PF Tier 2 Short-Term Rate

2.4.1 Short-Term Rate Purchases

If «Customer Name» elects by a Notice Deadline to purchase Firm Requirements Power at the PF Tier 2 Short-Term Rate for a Purchase Period, in its election «Customer Name» shall state its purchase amounts of such power for each year of the corresponding Purchase Period. By March 31 immediately following each Notice Deadline, BPA shall update the table below to show «Customer Name»'s purchase amounts, if any, at the PF Tier 2 Short-Term Rate for the corresponding Purchase Period.

Drafter's Note: Leave table blank at contract signing:

PF Tier 2 Short-Term Rate Table					
Fiscal Year	2012	2013	2014	2015	2016
aMW					
Fiscal Year	2017	2018	2019	2020	2021
aMW					
Fiscal Year	2022	2023	2024	2025	2026
aMW					
Fiscal Year	2027	2028			
aMW					
Note: Insert whole megawatt amounts for each year of the applicable Purchase Period.					

2.4.2 Conversion to PF Tier 2 Vintage Rates

Reviewers Note: Shaded text is identical to Load Following text:

2.4.2.1 Right to Convert

Subject to the amounts of power available under PF Tier 2 Vintage Rates offered by BPA, «Customer Name» shall have the right to convert only those amounts of Firm Requirements Power it purchases at the PF Tier 2 Short-Term Rate to an equivalent purchase amount at a PF Tier 2 Vintage Rate.

2.4.2.2 Conversion Costs

Upon establishment of a Vintage Rate for which «Customer Name» signed a Statement of Intent, «Customer Name» shall be liable for payment of any outstanding costs under the PF Tier 2 Short-Term Rate that apply to «Customer Name». BPA shall determine such costs, if any, in the first general rate case that establishes the applicable PF Tier 2 Vintage Rate(s). In no event shall BPA make payment to «Customer Name» as a result of «Customer Name»'s conversion of purchase amounts at the PF Short-Term Rate to purchase amounts at a PF Tier 2 Vintage Rate(s).

2.4.2.3 Exhibit Updates

By September 15 immediately following the establishment of a Tier 2 Vintage Rate for which «Customer Name» signed a Statement of Intent, BPA shall amend this exhibit to show «Customer Name»'s PF Tier 2 Vintage Rate purchase amounts and remove «Customer Name»'s PF Tier 2 Short-Term Rate purchases by the amounts purchased at the PF Tier 2 Vintage Rate.

Reviewer's Note: See "Timeline for HWMs & Above-RHWM Elections"

2.5 Amounts of Power to be Billed at Tier 2 Rates

Prior to each Fiscal Year BPA shall determine the amounts, if any, of Firm Requirements Power at PF Tier 2 rates that need to be remarketed subject to section 10 of the body of this Agreement. By September 15 of each Fiscal year beginning September 15, 2011, BPA shall update the table below for the upcoming Fiscal Year with: (1) the annual average amounts of Firm Requirements Power which «Customer Name» shall purchase at each applicable PF Tier 2 rate, (2) any remarketed PF Tier 2 rate purchase amounts, and (3) the total amount of Firm Requirements Power priced at PF Tier 2 rates, net of remarketed amounts.

Drafter's Note: Leave table blank at contract signing:

Annual Amounts Priced at PF Tier 2 Rates (aMW)									
Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
«No Tier 2 at this time»									
Minus Remarketed Amounts									
Total Amount at Tier 2									
Fiscal Year	2021	2022	2023	2024	2025	2026	2027	2028	
«No Tier 2 at this time»									
Minus Remarketed Amounts									
Total Amount at Tier 2									
Notes: 1_ List each applicable Tier 2 rate in the table above. For the first applicable Tier 2 rate replace «No Tier 2 at this time» with the name of the applicable Tier 2 rate. For each additional Tier 2 rate, add a new row above the Remarketed Amounts row. If «Customer Name» elects not to purchase at Tier 2 rates, leave «No Tier 2 at this time» in the table and leave the remainder of the table blank. 2_ Fill in the table above with whole annual average megawatts.									

2.6 Flat Block

Amounts of Firm Requirements Power priced at PF Tier 2 rates shall be equal in all hours of the year.

3. MONTHLY PF RATES(04/06/08 Version)

Applicable monthly PF Tier 1 and PF Tier 2 rates are specified in BPA rate schedules.

4. REVISIONS(05/27/08 Version)

BPA shall revise this exhibit to reflect Customer Name's elections regarding service to its Above-RHWM Load and BPA's determinations under this Agreement.

(PS«X/LOC»- «File Name with Path».DOC) «mm/dd/yy» *(Drafter's Note: Insert date of finalized contract here*